G. R. S. 58

Previous references.

B. Jan 08 88 1-6

1907-8

(Sep: Rev)

File No. 167-07

Serial Nos. 1 — 6

Later references.

B. Aug 10: 88 7-18 S.R. 167-07.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1—6

Part B. for August, 08.

SUBJECT.

Regulation of the strength of liquor sold in the city & the Civil & Military Station, Bangalore

1) From the J.A. Residency
No. 699 & 3.2.08. (2. 285.

Forwards an extract of letter No. 2128 & 2268 from the Collector Chamarajpet on the subject. & a copy of the G.O. Resolution in the Fin. Dept No. En. 5080 & 15.8.07).

2) To the Excise Commr No. 2L. 8856 & 4
Forwards copy of the D Inspector here to submit his views in the matter

3) From the Excise Commr No. 6688 & 9.2.08
states that he is not prepared at present

GPB—8,000—7-4-07

3029

G. R. S. 12]
General and Revenue Secretariat.

File No. 167 of 1907

Serial No.	
	The Excise Commissioner is requested to furnish his views in the matter which is a very important one. Submit with a draft for orders.
	Issued 4/2/08
2	To the Excise Commissioner No. Fl 3856 dt 4/2/08 Forwards copy of letter and requests him to submit his views in the matter.
3.	From the Excise Commissioner No. 6668 dt 9.2.08. States that he is not prepared at present to introduce the 25° Under proof spirits in place of 20° Under proof spirit.
	Submit with draft letter Resident.
	11.3.08 Please put up fair draft as revised
	12/3/08

Why so much delay?

12/3

Note—Contn. sheet.

GPB—50,000—17-3-07

Serial No.

Consult
Surgeon
G.O

Senior Surgeon & Sanitary Commr
may be asked to favour Govt with
his views - They wd be required
on the following two points and
on any other which may occur
to him -

1. The weaker spirit (25° UP)
may & will most probably induce
the drinker to consume a larger
quantity than that of the stronger
spirit (20° UP) which now obtains
does him - The wd consume
this larger quantity either by
drinking more at a time or
by drinking more frequently
than he does at present -
What effect wd this have
on his constitution -

2 It is stated at para 9
of the Excise Commr's letter that the
weaker spirit if obtained
from the still shop wd contain
a greater proportion of min-
erine than the stronger
spirit similarly obtained
even though the latter
were afterwards diluted
with distilled water - Would
this appreciably prejudice
the Consumers health in view

of the

NOTE—Contn. sheet.

GPB—50,000—17-3-07

G. R. S. 12]
General and Revenue Secretariat.

SR File No. 167 of 1907

Serial No.

towards the goal of the Cup which "cheers but does not inebriate" which many a Parah has reached under good influences - Whole races have thus been pressed in habit (vide para 67 of the Excise Committees Report).

Grounds	Comments
(Para 4) Drunkenness cannot be checked by prohibiting the sale of Spirit above a fixed low strength - The Excise Committee & the Govt of India recommend this	25° UP is only lower than 20° UP. But in itself it is not a "low" strength - The Excise Committee & the Govt of India recognize 60° UP as the lowest permissible & recommend so high as 25° UP in addition as a first step in Madras Coorg & Bangalore

Grounds	Comment
(Para 5) People who are accustomed to strong Spirit do not take the weak liquor at all but resort to illicit distillation of the strength they require or	Those who are not satisfied with 20° UP would always have recourse to this alleged temptation

Note—Contn. sheet

Serial No.

ment maybell be regarded as predoomed to failure because the Shops are not available to the consumer, and to the habitual drunkard a little variation in price will not matter particularly in the Mofussil where the climatic influences are strong in favour of the Shops stimulants.

Ground	Comment
(Para 7) The Consumption of Foreign liquor will be stimulated to the prejudice of the State Revenue.	Probably not more so than at present, because the difference between 20 Rs. and 25 Rs. is comparatively small. In any case the Native State must have a free hand to deal with imported Foreign liquor.

Ground	Comment
(Para 8) Mayor Scott's opinion as to the safe strength of liquor which may be consumed 'neat' ie without dilution.	This is only in favour of the retention of 25 Rs now proposed. Orde

Note—Contn. sheet

GPB—50,000—25-2-07

G.R.S. 12]
General and Revenue Secretariat.

XQ

88 File No. 167 of 1907

Serial No.	
	is the 20th ult. of the Madras Govt.
	The Govt. of India
	resolution in question
	is applicable to both Madras
	& Bangalore. Perhaps
	the change will be introduced
	with the Frontier Ships when
	a similar change is introduced
	with Mysore.

Ground	Comment
(Para 2) The Standard proportion between "Duty" & "Rental" would be disturbed.	This is a matter of comparatively small significance

Ground	Comment
(Para 3) Inconveniences involved in the change with Bangalore alone & not in the rest of the State.	It is desirable to introduce the change throughout the State, with the possible exception of the Malnad of Shimoga & Kadur Districts.

Approved

NOTE—Contn. sheet

G P B—10,000—18-1-07

G.R.S. 12]
General and Revenue Secretariat.

S.R. File No. 167 of 190 7

3029

Serial No.

Please consult the S.S. U-O on the points referred to by the Sec. on page 4 of the note

CBZ 7/4/08

No H 219 dated 7 April 08

Enc 2 books 1 collection of newspapers as per list

Forwarded unofficially for the Senior Surgeon for favor of opinion on the points referred to by the Sec. Councillor on page 4 of the note.

"By order"

7.4.08

Sec to G.G.S. 7.4.08

D.O. No: 749

April 16th

22

On medical grounds alone there can be no question as to the advizability of using the weaker spirit, i.e. 25 U.P. but if the use of such conduces to the larger consumption of spirit generally, the effects upon the individual health of the consumer will be proportionately disastrous, and personally from my knowledge of the native of India I believe that such would inevitably result, as it must be remembered that the low castes, at any rate who mostly indulge in such drink liquor, NOT usually to exhilaration, but to the intoxication stage, and that being so I am inclined to think that the reduction of the strength from 20 to 25 would indirectly result in the consumption of more liquor, than if left at the present standard. If the reduction suggested is

NOTE—Cont'd sheet

GPB—10,000—18 1-07

G. R. S. 12]
General and Revenue Secretariat.

S.R. File No. 167 of 1907.

Serial No.

The papers may now be sent to the Deccan.

2- I am of opinion that the desirability proposal to reduce the arrack from 20° U.P. to 25° U.P. may be agreed to. Some years ago the Durban Commissioner noted the quantity of arrack offered to the consumer imperceptibly by a small reduction in the size of the dram cup - & there has been no objection or complaint - The present proposal is to reduce the alcoholic strength of arrack slightly & almost imperceptibly, & I expect that this may be done without objection or complaint also -

3 - The Excise Commr - is adopting steps to take full advantage of existing rules to control the consumption of foreign liquor - Thus there need be no fear of arrack revenue suffering to the benefit of T-L -

4 - The weaker arrack in question should be had not by distilling it weaker than now but by diluting strong arrack with distilled water. The extra cost of this will be small and

NOTE—Contn. sheet

GPB—50,000—25-2-07

G. R. S. 12]
General and Revenue
Secretariat.

File No. 167 of 1907

Serial No.	
	and on other grounds also need not be pledged -
	Dlwan)

28 Apr 08

4 18/4

8889/5-06

2

dg 15/08

Please see separate sheet for Dlwan's order.

NOTE—Contn. sheet

GPB—50,000—25-2-07

S.R. File No. 167 of 1907

3029/

Serial No.

I do not think that there can be any doubt that the proposed reduction of the strength of arrack from 20° U.P. to 25° U.P. will stimulate the consumption of Foreign Liquor to the prejudice of the State's revenue from Arrack.

I think a reply may be sent to the Resident that as long as the duty on foreign liquor consumed in the State is credited to the British Government it would be to the prejudice of the State's revenue to adopt any measure which may tend to increase the consumption of foreign liquor at the cost of country spirits and liquors.

29/5/08

6969/25-5-08

Submitted 29/5/08

25/5

The Dewan's view may be adopted & the Residency addressed in that sense

29 May 08

Please revise draft & come again

29/5

Submitted with a redraft

30/5/08

1/6

GPB—50,00017—3·07

Vol: 1035

Enquiry 02851 D) 3-2-08.

No. 699 2nd 2

S.R. 167-07-1.

FROM

F. P. RENNIE, Esq., I. C. S.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

To

The Dewan of Mysore.

Dated Bangalore, 3rd February 1908.

SIR,

I am directed to forward, for the information of the Durbar, a copy of a resolution of the Government of India in th Finance Department, No.5086 Exc. dated the 15th August 1907, pass orders on the recommendations contained in Chapters XI and XII the Report of the Indian Excise Committee, 1905-1906.

2. In enclosing an extract of a letter No.248 dated th 22nd January 1908 from the Collector, Civil and Military Statio of Bangalore, I am to request that the Resident may be favoured at an early date with the views of the Durbar on the proposal therein made for the regulation of the strength of liquor sold in the Civil and Military Station and the Bangalore City.

I have the honour to be,

Sir,

Your most obedient servant,

For First Assistant Resident.

S.

Extract from;

Letter No.248 dated the 22nd January 1908 from the Collector Civil and Military Station, Bangalore to the First Assistant to the Resident in Mysore.

X X X X X

X X X X X X

8. Regulation of the strength of liquor sold. I recommend that in accordance with paragraph 13 of the Government of India Resolution arrack of 25° U. P., should take the place of that at 20° U. P., I am however of opinion that to introduce at once arrack at 60° U. P., and to force licensees to stock it would be a distinct hardship. It is not anticipated that there would be any sale at all for 60° U. P., Arrack and I recommend that its introduction be deferred. With regard to the introduction of 25° U. P., arrack I think it most advisable that a similar change be made in the strength of arrack sold in the City. The change in both areas should certainly take place contemporaneously or the result would probably be a considerable loss of revenue to the Station. The amendments suggested by the superintendent in arrack license form (No.2) may be adopted so far as arrack of 25° U. P., is concerned.

9. Regulation of prices. Should the proposal to introduce arrack of 25° U. P. be accepted the rates of duty and price chargeable thereon will be as under:-

Duty	---	Rs.4-7-3 per gallon
Cost		0-8-2 --do--
		0-1-7 per dram.

X X X X X

C O P Y.

J.S. Tirumalai Ayyangar

Registrar.

NNN

No. 5086-Exc.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SEPARATE REVENUE.
Excise.

RESOLUTION.

Simla, the 15th August 1907.

IN a series of previous Resolutions the Government of India have dealt with the questions discussed in successive Chapters of the Excise Committee's Report. They turn now to the subject of Chapters XI and XII of that Report, and propose to deal in the present Resolution with

(1) the number, location and licensing of liquor shops;

(2) the conditions under which liquor should be sold.

As the Committee have remarked, these matters are of the highest importance in their bearing on the Government's recognised policy of restricting the consumption of intoxicating liquors by fiscal measures.

I.—NUMBER, LOCATION AND LICENSING OF LIQUOR SHOPS.

2. Throughout India as a whole, as the statistics in paragraph 75 of the Committee's Report conclusively show, the proportion of shops to the population which they serve is extremely moderate. The distribution, however, is very uneven. On the one hand, there are areas where the facilities for supply are in excess; on the other hand, in some areas they are so deficient as to provide a direct incentive to illicit practices. Among the former may be mentioned the Central Provinces (where, however, a thorough reform is now in progress), Behar and the eastern districts of the United Provinces in regard to *tari* shops, certain districts of Bengal in regard to *pachwai* shops, and parts of Madras. Among the areas where the number of shops is insufficient to check illicit supplies, are some of the Bengal districts, certain districts of relatively large consumption in the United Provinces, and parts of Bombay (where the difficulty will become more acute when the District Monopoly system in that province is replaced by the system of Contract Distilleries). The considerations which, in the Government of India's opinion, must govern the decision as to the number of shops to be established in a given area are perfectly clear. If shops are allowed to be so sparse that each has a practical monopoly over a considerable area, prices will inevitably be raised and illicit practices encouraged; this danger will be accentuated if the limit of private possession of liquor is reduced, as suggested in paragraph 12 below. On the other hand, while shops need not necessarily be so limited in number as to make it impossible for a resident in a particular area to get his liquor except from one particular shop, it should only be possible for him to do so at the cost of considerable inconvenience, and he ought to have as little freedom of choice in the matter as possible. If two or more shops are equally convenient to any considerable number of persons, the fact affords what the Government of India would regard as *primâ facie* evidence that the number of shops in that particular area is excessive.

3. The Government of India are desirous that Local Governments, who have not recently examined the subject, should now investigate the number of shops required in their provinces with reference to the criteria indicated above and the more detailed criticisms of the Excise Committee. The Government of India,

however, wish to guard against any possible misconception of these instructions. They do not suggest that there should be any addition to the total number of liquor shops in India. The investigation should aim at a redistribution where the present arrangement is uneven, and at a reduction where the number of shops is now in excess.

It is of course impossible to lay down a uniform standard even for a single large province, as different tracts differ materially in the distribution and density of the drinking population and the facilities for putting down illicit consumption where shops are sparse. The Committee's proposal (paragraph 234 of the Report) to consider separately, with reference to local conditions, a minimum and a maximum scale of shops for every tahsil or other convenient sub-division of a district, is one which has the approval of the Government of India; a similar scale might also be determined for each municipality. The determination of maximum and minimum numbers for each municipality and rural area would give the local authorities sufficient scope to provide for varying circumstances; but the margin between the minimum and maximum figure in each case must not be large.

4. The licensing authority in India, outside the Presidency towns, is the District officer; and the Excise Committee have carefully considered whether the existing practice calls for modification. In the granting of liquor licenses and the location of liquor shops, the extent to which public opinion can be ascertained, and the weight which should attach to such opinion as is expressed, are questions of no small difficulty. Local option, in the sense in which that term is generally understood, is quite impracticable in India. As the Government of India wrote in 1890, it "would throw the whole Administration into confusion, and would in some places create an intolerable class tyranny which might have very serious political effects." The position has not materially changed since this was written; and it is impossible for the Government to lay aside its responsibilities for fixing, whether by itself or through its officers, the number and sites of liquor shops. The Government of India would be glad, however, to see local opinion consulted more systematically and recorded more definitely than is the case at present; and to that end they suggest for the careful consideration of Local Governments the following modifications in the present procedure, which are based to a certain extent on the Committee's recommendations.

Paragraph 98 of the Government of India's Despatch No. 29, dated the 4th February 1890.

5. The machinery which the Committee proposed for the licensing of shops in the Presidency and other large towns is a small local committee; and the Government of India think that a similar body might suitably be utilized for drawing up the maximum and minimum scales both in the Presidency towns and other large municipalities with a population exceeding, say, 20,000 or some other suitable figure to be fixed by the Local Government. The Committee in the Presidency towns and Rangoon might consist of (1) the Collector, the Excise Commissioner, or other Chief Revenue officer; (2) the Commissioner of Police; (3) the Chairman of the Corporation; and (4) the Municipal Commissioner or Commissioners for each ward separately. In other municipalities it might similarly consist of (1) the District officer; (2) the District Superintendent of Police; (3) the Chairman of the municipality; and (4) the members (or a selected member) for each ward separately. The precise constitution of the Committees must however in all cases be left to the discretion of the Local Government concerned, and there is no need for uniformity. These Committees might prepare their proposals, or consider those of the Collector, once in three to five years and submit them to the Chief Revenue authority for the approval of Government, whose decision should be final. Whether a similar agency could be employed for rural areas, or even for small towns, appears to the Government of India to be somewhat doubtful. Members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops required in the smaller and more densely populated areas with which they are familiar. The extension of the system outside the larger towns, however, is a matter which may be left to the discretion of Local Governments.

6. The exact position of shops for which licenses have been granted is a matter on which considerable diversity of opinion has been expressed, both by

administrative authorities, and by those who interest themselves in temperance reform. The Government of India, however, are in general accord with the broad principles which the Committee (paragraph 237 of their Report) have recommended for observance in the selection of sites. They also approve of the Committee's further suggestions in the direction of notifying proposed sites with the object of ascertaining any local objections to them, and of obtaining the opinions of those who may be specially interested, such as railway authorities, Forest officers, and large employers of labour in tea gardens, mills and coal mines. In addition to these measures the Collector should, before each periodical auction or settlement in a large town, consult the local committee above described, if possible personally. Their advice for or against the location of a shop in a particular place where it is proposed to have it would be valuable; but the Collector's decision should be final, and the licensing of shop-keepers should also be left in his hands. Any police objection as to the character of applicants would of course be duly considered, as is already definitely required in the case of Presidency towns.

II.—Conditions of the retail sale of liquor.

7. On this important subject the Excise Committee have recorded a number of recommendations, which have the entire concurrence of the Government of India, and which they commend to the most careful consideration of Local Governments. It is impossible, within the limits of a Resolution, to enumerate the many details of a policy upon which the Committee's pronouncements are accepted by the Government of India; but the following matters may be selected for special reference.

Shop premises (*paragraph 247 of the Report*).—These should, as a rule, have only a single door opening into a public road. When special circumstances appear to justify it, however, provision may be made for a separate private bar, which should require a special license from the Collector; there need be no objection to a separate entrance to such a bar, provided it is labelled as such. Each shop should be so constructed that the interior, whether of a public or private bar, may be visible from its door-way, and it should not be a place of residence save for the vendor and his family or caretakers. The employment as shops of buildings such as the Committee describe at Amritsar, where the shops are turned into local club houses, should be put a stop to.

8. *Hours of sale* (*paragraph 248 of the Report*).—Shops should not be opened before sunrise and should ordinarily be closed not later than 9 P.M.; and in certain places, as in the Assam tea gardens, earlier closing hours may be laid down at the discretion of the local authorities. When for any reason a shop is kept open after ordinary hours, it should be under special license and on payment of a special fee. Shops should be liable to temporary closure, under the orders of the Collector, when troops are encamped or marching in the vicinity and in times of religious excitement or disturbance; and, as is required in Bombay, a shop-keeper should himself take the initiative in closing a shop when there is riot or disturbance in the neighbourhood.

9. *Persons who should not be allowed to sell liquor* (*paragraph 249 of the Report*).—Sale by minors (*i.e.*, in this connection, persons below the age of 14) and diseased persons should be prohibited. As regards sale by women, the Government of India agree with the view taken by the Government of Bombay in 1905 that there is no necessity for its absolute prohibition, and that it will be sufficient to cancel the license and to refuse renewal in the case of any person who is found to allow the business of a refreshment room to be carried on in a manner which is open to reasonable suspicion. It is, however, ordinarily desirable to confine permission to a wife, daughter, or other near relative of the shop-keeper who is living with him; and there may, as the Committee indicate, be particular places in which it is desirable to forbid sale by women altogether. The Collector should in all cases have power to call for the names of persons employed or proposed to be employed in liquor shops, and to forbid sale by such as he may disapprove.

10. *Persons to whom liquor should not be sold* (*paragraph 250 of the Report*).—These should include :—

(1) Sailors and the soldiers, and the members of their families, except when supplied at licensed houses, refreshment rooms and shops, which have been specially approved by the General Officer Commanding the Division (or Independent Brigade) or the Officer Commanding the Cantonment or Camp, and then only in respect to such liquors as shall be approved by the same authority in consultation with the local Excise authorities, and specified in the vendor's license.

(2) Camp followers, policemen, Excise officers and railway servants when on duty.

(3) European vagrants under escort of the police.

(4) Insane persons.

(5) Persons known or believed to be intoxicated.

(6) Children (*i.e.*, in this connection, persons below the age of 14).

The Government of India agree with the Committee that sale to women may be prohibited by a Local Government in special areas where it may be thought necessary. But there should be no general prohibition.

11. *General conduct of shop premises* (*paragraphs 266 and 268 of the Report*).—Gambling and entertainments on shop premises should be forbidden. A shop-keeper's responsibility for drunkenness on his own premises should be insisted on, and the further provision (suggested in paragraph 11 of Government of India Resolution No. 7057-Exc., dated the 18th December 1906) that, in cases where drunkenness amounting to a public nuisance occurs in the vicinity of a shop, the shop-keeper should be liable to have his license cancelled, may also be useful in certain cases. It can of course, as the Committee point out, only be enforced in the case of villages with single shops, and a town shop-keeper could not be made "liable to lose his license every time a drunken man passed down the street in which his shop was situated". Orders prohibiting consumption on the premises are of doubtful efficacy, and the Government of India are not satisfied that they should be issued, except, of course, in cases of foreign liquor shops which have only a license for consumption off the premises. To enable a consumer to send for country spirit for consumption at home or in a friend's house would, in many cases, encourage drinking by making it possible to avoid the loss of credit which visits to the liquor shops would otherwise entail.

12. *Limits of retail sale and consequently of private possession* (*paragraph 251 of the Report*).—The circumstances of different provinces, and of different tracts within the same province, vary greatly, and in fixing the limits of private possession it is necessary to consider the drinking habits of the people, and also the number of shops. Where shops are sparse the amount which a consumer may obtain at one time must necessarily be larger than where they are numerous. An unnecessarily high limit, on the other hand, merely tempts the possessor to become an illicit vendor. While not wishing to lay down any general rule, the Government of India consider that a maximum limit of one gallon, whether in the case of country spirit *or tari* ~~or foreign liquor~~, should not ordinarily be exceeded. But in any province in which the prescription of a smaller maximum ~~in regard to country~~ spirit ~~or~~ *tari* has not been found inconvenient, such smaller maximum may of course be adhered to.

The Government of India do not approve of the suggestion that shop-keepers and non-officials should have general powers to extend the limits of private possession. The power to grant special permits must rest with the responsible officers of Government and should not be entrusted to non-officials unconnected with the liquor trade. Shop-keepers should not be allowed to grant such permits, and consequently to sell more than the usual retail limit, except on special occasions, such as funerals and the like, which cannot be foreseen; and they should be required to report their action on every such occasion to the tahsildar (or other responsible Government officer) and be warned that any abuse of this privilege will debar them from holding shops thereafter.

13. *Regulation of the strengths of liquor sold* (*paragraphs 252, 253 and 256 to 259 of the Report*).—Country spirit in distillery areas should be sold at fixed

strengths wherever there is an establishment capable of enforcing this condition without undue harassment of the shop-keeper. This is desirable, both in order to prevent fraud on the consumer by the watering of liquor, and also as a check on the utilization by country spirit vendors of foreign spirit, which is subject to different Excise conditions and is intended for a different class of consumers. Moreover, as the Committee observe (paragraph 299 of the Report), it is more difficult to produce illicit liquor that will pass detection when it is necessary to imitate precise strengths of licit spirit. The Committee's recommendations on this point may be summarized as follows :—

(1) There should eventually be two strengths, a low strength of 60° under-proof (approximately the lowest limit at which spirit, if properly manufactured, can keep and carry in good condition) and a higher limit of 30° under-proof.

(2) Where spirit is at present sold at higher strengths, a reduction of the maximum strength should be carefully carried out so as not to provoke illicit practices. As a first step, the sales at proof strength in the United Provinces and the Punjab, at 20° under-proof in Madras, and at any strengths above 25° under-proof in Sind, Bengal, Eastern Bengal and Assam, Coorg, Ajmer-Merwara and Bangalore, should cease ; and in provinces such as the United Provinces, where there is no provision for issue at a strength lower than 25° under-proof, arrangements should be made for issue at 50° under-proof for the present, to be reduced later to 60°.

(3) In areas where weak spirit is now drunk, a small differentiation of duty in favour of the lower strength is desirable to prevent its displacement by the stronger liquor which is more profitable to the shop-keeper.

(4) Shop-keepers should be required to maintain stocks of the weaker liquor for sale.

The Government of India accept the view that the absolute prohibition of the sale of country liquor above a low fixed strength will not be effective in preventing drunkenness, and they consider that the adoption of the above measures should tend to secure, as far as this is possible, the sale of a weak but at the same time wholesome spirit. They also agree with the Committee (paragraph 254 of the Report) that any adulteration of spirit by the vendor should be prohibited and should involve the cancellation of his license, and that samples of spirits as sold in the shops should be periodically sent up by Excise officers for analysis ; and further (paragraph 255 of the Report) that, where adulteration or undue watering of spirit is believed to be prevalent, a shop-keeper may be required to keep a stock of liquor in sealed bottles.

14. *Regulation of prices (paragraphs 260 and 261 of the Report)* —In distillery areas it is desirable that minimum prices should be prescribed under a separate shop system in order to prevent reckless competition and to deter shop-keepers from undue efforts to clear off stocks towards the close of the period of the currency of their licenses. The enactment of maximum prices is, however, open to the objection that it exposes Government to the charge of making liquor cheaper than it would otherwise be, and is justifiable only where one man has the monopoly of sale over a considerable area. The Government of India are in general accord with the further suggestions made by the Committee in this connection in paragraphs 262 to 265 of the Report.

15. *Official control (paragraph 267 of the Report)*.—The Committee point out that however excellent regulations may be in themselves, they are useless unless there is a force which is capable of seeing that they are given effect to and which is duly instructed in that regard. They observe that in Assam the difficulty has been successfully met by the appointment of special Inspectors whose primary duty is the control of licensed premises and more particularly of drunkenness thereon, and they recommend the insistence in all provinces on the performance

of similar duties by officers of the standing of Inspector or Darogha of Excise. They also suggest that a record should be maintained of convictions for drunkenness in places where it is punishable, as well as of action taken against licensees for permitting it, and that the subject should be noticed in the annual Administration Reports. The Government of India accept these proposals generally, but consider that the inspection of shops and control of drunkenness should be undertaken by the regular Excise staff of each province and not by a special agency appointed for that purpose only. On the question of adopting special measures with the object of discouraging the clandestine purchase of liquor by members of classes whose religion or caste forbids the use of alcohol, the Committee conclude (paragraph 269 of the Report) that nothing beyond the general measures already discussed is feasible from the Excise point of view ; and in this view the Government of India concur.

ORDERED that a copy of the foregoing Resolution be communicated, in continuation of Resolution No. 4341-Exc., dated the 11th July 1907, to all Local Governments and Administrations, with the request that they will report, as soon as possible, the extent to which they will be prepared to adopt the recommendations of the Committee in so far as they have been approved by the Government of India ; to the Home Department with reference to paragraphs 2 to 6, 9 and 10; to the Army Department with reference to paragraphs 10 (1) and (2) ; and to Major C. H. Bedford, I. M. S.

J. S. MESTON,

Secretary to the Government of India.

G.R.S. 26]

File No. 4
Serial No. 7
2

Diary No. of letter replied to 2851

No. H 3856
4th February

General and Revenue Secretariat
(S.H.)
, *the* 190 ..

To The Resident Commissioner Mysore

Date of issue 4 February/08

Signed by W. McKerrell

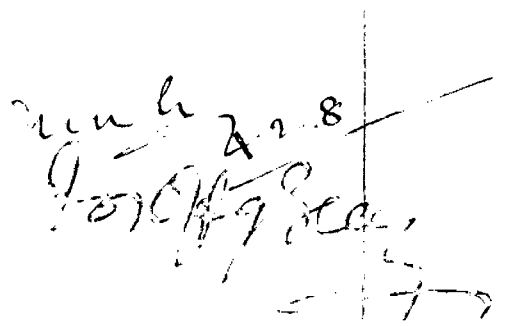
Sir,

I am directed to forward herewith a copy of letter no 699-S dated 3rd February 1908 from the Assistant Commissioner Mysore in the matter of [illegible] regarding the sale of arrack sold at the Cantonment Station of Bangalore and to request that you will be so good as to forward your [illegible] already early &c

(together with its enclosures in original (the obliging return))

over.

SUBJECT.



List of enclosures

Copied by

Examined by

MGCPB—30,000—16-2-05

Office of the Excise Commissioner
in Mysore,

No. 6668
En. 2

Dated Bangalore, 9th February 1908.

SR 167-07-3. D 3079

From

H.H. Sparkes Esquire,
Excise Commissioner, in Mysore.

To

C.S. Balasundram Iyer Esquire, B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments.

Sir,

Adverting to your letter No. Fl 3856/S.R 167-07-2 dated 4th February 1908 requesting an expression of my views on the proposed reduction in the strength of Arrack sold in retail shops from 20° under proof to 25° under-proof in the Bangalore City simultaneously with a similar reduction in the Civil and Military station, I have the honor to state that th question is not free from complications.

2. So far as I have been able to ascertain, no special attention seems to have been paid to deriving a revenue from the manufacture and sale of spiritious liquors until the assumption of the management of the province by the British Government in 1832. During the early administration of the late Maharaja Krishnaraja Wodeyar III, too, the only impost then generally in force seems to have been a light assessment on the liquor shops, more of the nature of a " Mohatarfa" or professional tax, than of an Excise Duty, though in the town of Bangalore an exceptional revenue from this source has alwa been realized. The practice of renting the exclusive right of the manufacture and sale was, however, partially adopted, during the later years of the Native Government. The renting system was continued by the British officers conducting the

the administration of the province up to 1847-48. In that year the arrack revenue was assumed by the Administration, the liquor being manufactured at the cost of the State, and supplied to licensed vendors at a fixed price. The manufacture of arrack on Government account was discontinued in the year 1858-59 owing to the high price of materials, and the liquor was for a time obtained from a firm which had established a distillery on the European system at Palahally near Mysore, but eventually the renting system was again reverted to in 1861-62. The introduction of the Sadar distillery system as then in force in the province of Coorg was first mooted in 1862 and was generally adopted throughout the province in 1864-65.

3. Under the Sadar distillery system it was one of the conditions that the distillers must not remove any liquor from the distillery except at the prescribed strength of 19° under-proof. The retail vendor bound himself to sell only the liquor supplied by the distillery to which his shop was attached and not to dilute or adulterate the liquor. The same restrictions exist under the existing contract distillery system also. Liquor is now issued from the Government Central distillery at Bangalore at the strength of 20° under proof to places within fifty miles and at 19.5° under-proof to all places beyond fifty miles. It will thus be seen that for the last 43 years and more arrack of the strength of 20° under-proof only was being issued in the State. The Mysore arrack drinker has, so to speak, become inured to the 20° under-proof spirit and he has not been accustomed to drink either a weaker or stronger spirit.

4. Restrictions on the strength of the liquor are required in the first place to check drunkenness or injury to the drinker by sale at too high a strength; in the second place, where Government have imposed a high fixed duty and grant a monopoly of sale, to ensure that the poorer consumer gets what he pays for and is not injured or driven to illicit practices by the issue of an adulterated article. The question whether drunkenness

drink a certain amount of water with it, it may be urged that financially the change will not have any effect. Though the loss in the comparatively lower still-head duty on 25° under-proof arrack is likely to be made up by the increased consumption of the weaker spirit still it cannot be safely predicted that this increased consumption will be the only effect of the proposed reduction in strength. The Mysore arrack drinker having been accustomed for nearly half a century to arrack of the strength of 20° under-proof, may not take the weaker liquor at all but may have recourse to illicit practices or take to foreign liquors. These are the greater dangers to be guarded against. Unlike British Government the native Government stands quite on a different footing in respect of foreign liquors. While the British Government is safe with its customs duties the Native Government will have to rest contented with an insignificant licensee fee. So, therefore, the greater the stimulous given to the consumption of foreign liquors the greater the danger to the State arrack revenue.

8. The principle on which the strength of the liquor sold in the retail shops is fixed, should be, as I understand it, purely on Medical grounds. The maximum or minimum strength, is determined on the healthy or injurious effect of the liquor on the constitution of the drinker. In the opinion of Major Bedford 35° to 40° under-proof is about as high as liquor should be issued if it is to be drunk " neat". But against this opinion have to be weighed the facts above enumerated. The Mysore arrack drinker has been inured to the arrack of the strength of 20° under-proof and has no liking for any weaker spirit. The introduction of the 25° under-proof may possibly drive him to illicit practices or to foreign liquors in both of which cases Government is the loser.

9. It is a well known fact that to obtain pure spirit, it should be distilled at a low temperature and at a high strength. The higher the temperature and the weaker the spirit distilled the greater will be the impurities. A condition peculiar to the manufacturing contract of the Mysore State is that in the reduc-tion of liquor the distiller is allowed to use only distilled

distilled water and none else. To issue liquor at a weaker strength greater quantity of distilled water will be required and this means extra cost to the manufacturers. They will , therefore, try to distil liquor at as low a% strength as is con--sistent with the prescribed minimum in order to avoid manufac--turing a larger quantity of distilled water. There is no restric--tion as to the strength at which liquor should be distilled, The by-products which are the only injurious ingredients in the ordinary arrack, in such a distillation will proportionately be greater than if the liquor were distilled at a higher strengt Under the existing system in the Mysore State it will therefore be observed that from a\ healthy point of view also the introduc--tion of the 25° under-proof liquor is not advisable. Besides, from the terms of the manufacturing contract the bulk of the Arrack to be supplied by the manufacturers is 20° underproof arrack.

10. If the change were to lead to increased consumption which it is sure to do to some extent, the cost of carriage is another factor to be counted upon. The weaker spirit has a greater weight bulk for bulk and the additional quantity w ich will have to be carried will entail extra cost to Government to a perceptable extent.

11. In the frontier shops of the Madras Presidency 20° under--proof arrack is sold. from the Abkari sale Notification of that Presidency I see that no change in the strength of the liquor sold in the retail shops has been introduced in accordance with the recommendations of the Indian Excise Committee. The conse--quence of the introduction of the weaker spirit in the state would, therefore, be a reduction in the income of the legitimate still-head duty on Arrack. The drinker having been accustomed to 20° under proof will rather frequent the frontier shops where he could get the liquor of the strength he wants, perhaps at a cheaper rate owing to the low rate of duty, than go to the local shop where a weaker spirit only is available.

12. The present rate of duty is Rs. 4-12-0 on a gallon of

of 20° under-proof. The corresponding duty on 25° under-proof will be Rs. 4-7-3 per gallon. The price to be paid to the manufacturers will be Rs. 0-10-3 and not Rs. 0-8-2 as has been erroneously calculated by the Collector of the Civil and Military Station. The cost price per dram to the retail vendor will therefore be Re. 0-1-7. Arrack is now sold at the fixed price of 2 annas per dram. The retail vendor will therefore have to sell the 25° under-proof at Re. 0-1-10½ per dram. But the retail selling price can only be one anna eight pies or two annas as fractions of a pie will have to be avoided in the case of full, half and quarter drams. If he is allowed to sell the liquor at one anna 8 pies per dram the margin profit is only annas 4 and pies three only per gallon which will scarcely cover the incidental charges of vend and the rent of the building in which the shop is located, not to speak of the payment of any rental. On the other hand, if he is allowed to sell at the rate of 2 annas per dram the drinker will have to pay a higher price for a weaker liquor and since he will generally drink till he is intoxicated he will have to spend more money for his arrack than he would do under the present condition of things. Besides, the rate will leave a larger margin of profit to the licensee, namely, Re. 1-5-3 per gallon. As a consequence the rental may rise disproportionately and this will be against the accepted principle that fixed duty should be the main factor in the taxation. As regards the enhancement of the duty itself I beg to invite reference to my letter No. 3111 dated 30 th October 1907.

13. If it is proposed to introduce 25° under-proof spirit to the Bangalore City alone and leave the rest of the state unchanged, I beg to submit that even this proposal does not commend itself for more reasons than one. Many of the difficulties above alluded to will equally apply to this case also. There will be the additional difficulty of maintaining a distinction between areas where a weaker spirit is sold and areas where a stronger spirit is sold. The consumption of foreign liquor will unduly increase much to the detriment of the State arrack revenue. It is not advisable to introduce the change for no reason better

better than to create facilities for the introduction of a weaker liquor in the Civil and Military Station. The issue of two different strengths of liquor from the distillery is likely to cause confusion and may impair the high state of efficiency in which it is now maintained.

14. In these circumstances I beg to submit that I am not prepared at present to introduce the 25° under-proof spirit in the place of the 20° under-proof spirit. The enclosures to your letter are herewith returned.

I have the honor to be,

Sir,

Your most obedient Servant,

H H Sparks

Excise Commissioner in Mysore.

B.G.R.

G.R.S. 26]

Redraft

File No.
Serial No. 67

Diary No. of letter replied to 3029.

Fol: No. 992.

General and Revenue Secretariat
(G. R.)
, *the* , 190 .

To

The First Asstt
to the Hon'ble
the Resident.

Date of issue 6-6-1908.

Signed by
Mr: K S Chandrasekhara Iyer

Sir,

Sl: 1.

With reference to
your letter No: 699 of the
3rd February 1908, regarding
the regulation of the strength
of liquor sold in the Cant
ns. Station and the Bangalore
City. I am directed to
reply as follows:—.

The principle of regulating
the Strength of liquor was
first introduced in the State

over.

SUBJECT.

in 1862, when, with a view to organize properly the system of deriving revenue from the manufacture & Sale of Spirituous liquors in Mysore, the Sadar Distillery system was introduced. Under this system, it was a condition that the distillers should not remove any liquor from the distillery except at the prescribed Strength of 19° U.P. ~~and that~~ The retail vendor was bound to sell only the liquor supplied by the distillery to which his shop was attached without diluting or adulterating it. These conditions exist even to this day, under the present Contract distillery system. Liquor is now issued from the Central distillery at

List of enclosures

Copied by

Examined by

MGCPB—30,000—16-2-05

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

Bangalore, at the Strength of 20° U.P to places within 50 miles thereof and 19·5° U.P to all places beyond 50 miles. Thus, for over 40 years, arrack of the Strength of 20° U.P. is being issued in the State. The arrack drinker in mysore has therefore become inured to the liquor of 20° U.P. An attempt made in 1893-4 to reduce the Strength of the liquor in the Dts of Kadur & Shimoga, on the representation of the North Mysore Planters' Association fell through, owing to the fact that the people were not satisfied with the weaker liquor & required the one of the usual Strength of 20° U.P.

2. Now, turning to the question at issue the Durbar think that the reduction of the Strength of the liquor to 25° U.P, is not advisable for more reasons than one.

Apart from this consideration such a change is also impracticable at present under the existing Contract for the manufacture of liquor which will remain in force till June 1910.

MGCPB—30,000—5-4 05.

It is an admitted fact that the liquor used should be quite free from all impurities in order that it may not be injurious to health. Pure Spirit can only be obtained only when it is distilled at a low temperature & at a high Strength. A Condition ~~in~~ of ~~peculiar to~~ the manufacturing Contract in Impore is that the Distiller is bound to use only distilled water to reduce the liquor to the Standard Strength. In order to produce ~~lesse~~ weaker liquor a larger quantity of distilled water is required necessitating Extra Cost to the manufacturer. He will therefore try to distil liquor at as low a Strength as is consistant with the prescribed minimum in order to avoid manufacturing a larger quantity of distilled water. There being no restriction as to the Strength at which liquor should be distilled the by products which are the only injurious ingredients in the ordinary arrack in such a distillation will

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

proportionately be greater than if the liquor were distilled at a higher strength. On these considerations the proposed reduction of the strength of the liquor seems to be inadvisable in the interests of the health of the Consumer.

3. Again, the cost price of arrack of 25° U.P. including "duty" will be Re 0-1-7 per dram to the retail vendor. Calculating upon the existing fixed rate of 2 as. per dram of 20° U.P., the retail vendor will have to sell the 25° U.P. liquor at 0-1-10½ per dram. But the retail vend rate of 25° U.P. liquor can only be either 0-1-8 or 0-2-0 per dram, as fractions of a pie will have to be avoided in the case of full, half & quarter drams. In the former case, (0-1-8) the retail vendor will not have enough of margin even to meet his working expenses and in the latter case (0-2-0) the Consumer will have to pay a higher

MGCPB—30,000—5-4 05.

price
~~value~~ for a weaker liquor, and
in other words, he will have
to spend more for his drink. The price will
afford a larger margin of
profit to the retail vendor, &
As a consequence, the ~~retail~~ rental
may rise disproportionately high
against the accepted
principle that the fixed duty
should be the main factor
in the taxation. The undesirability
of enhancing the Still head
duty has been already
explained in the Dunbar's
letter of the 2nd June 1908. (Pol. No 525) to which reference is invited.

Further, the Dunbar
are quite convinced that
any reduction in the strength
of the liquor must
induce the consumers either
to have recourse to illicit
distillation or to take to
foreign liquor. ~~The Statute~~
~~consider that~~, As long as
the duty on foreign liquor
consumed in the State
is credited to the British
Exchequer, it would be to the
the Dunbar consider
prejudice of the State's
revenue to adopt any
measure which may
tend to increase the

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

Reference to paras 4 & 5 of the Durbar's letter D/No. 525 dd 4/7/08. in S/R 80-07-814.

Consumption of foreign liquor at the Cost of Country Spirits & liquors.

In this connection I am to invite

5. In the foregoing reasons the Durbar consider it inadvisable to reduce the Strength of arack to 25° U.P. either in the Bangalore City or in other parts of the State.

Arack:

Exp. Nil
K.S.
6/6/08

K.S.
30.5.08

Copies made 5/6.

256 SK

SK 167-07 X5

No. 3092-Exc.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SEPARATE REVENUE.
Excise.

Simla, the 28th May 1908.

ERRATA.

In the penultimate sentence of paragraph 12 of the Resolution in this Department No. 5086-Exc., dated the 15th August 1907, for the words "*tari* or foreign liquor" substitute the words "or *tari*."

2. In the last sentence of the same paragraph, omit the words "in regard to country spirit or *tari*."

ORDERED that a copy of the foregoing errata be forwarded to all Local Governments and Administrations (including the Honourable the Agents to the Governor General in Central India and Rajputana and the Residents at Hyderabad, and in Mysore and Kashmir); to the Home, Army and Foreign Departments; to the Inspector General of Excise and Salt; and to the Director, Central Excise Laboratory, Kasauli, for information.

ORDERED also that the errata be published for general information in the supplement to the *Gazette of India*.

G. H. B. JACKSON,

Under Secretary to the Government of Ind

The Resident's Office,
Bangalore, 18th July 1908.

Pol 87 8/18-7-08 No. 3751 Ex 1817

Copy forwarded for information of the Government of His Highness the Maharaja of Mysore, in continuation of paragraph 1 of this Office letter No.699 dated 3rd February 1908.

Excise to Govt SK 167-07 b2285 SK 1707 5079

First Assistant Resident.

S.I.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SEPARATE REVENUE.
Excise.

ERRATA.

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS,
BOMBAY,
REVENUE DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF BENGAL,
FINANCIAL DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF EASTERN BENGAL AND ASSAM,
FINANCIAL DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF THE UNITED PROVINCES,
SEPARATE REVENUE (EXCISE) DEPARTMENT.

THE REVENUE AND FINANCIAL SECRETARY TO THE GOVERNMENT OF THE PUNJAB.

THE REVENUE SECRETARY TO THE GOVERNMENT OF BURMA.

THE HON'BLE THE CHIEF COMMISSIONER OF THE CENTRAL PROVINCES.

THE HON'BLE THE CHIEF COMMISSIONER OF THE NORTH-WEST FRONTIER PROVINCE.

THE HON'BLE THE CHIEF COMMISSIONER OF AJMER-MERWARA.

THE HON'BLE THE CHIEF COMMISSIONER OF COORG.

THE HON'BLE THE CHIEF COMMISSIONER OF BALUCHISTAN.

THE HON'BLE THE AGENT TO THE GOVERNOR GENERAL IN CENTRAL INDIA,
RAJPUTANA.

THE HON'BLE THE RESIDENT AT HYDERABAD / IN MYSORE / IN KASHMIR.

THE HOME / ARMY / FOREIGN DEPARTMENT.

THE INSPECTOR-GENTRAL OF EXCISE AND SALT.

THE DIRECTOR, GENERAL EXCISE LABORATORY, KASAULI.

No. 3092-Exc.

Dated Simla, the 28th May 1908.

Errata to Resolution No. 5086-Exc., dated 15th August 1907.

G. C. B. P., Simla.—No. 297 Fin.D.—29-5-08—680—J. A. S.